

Message Text

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PAGE 01 SEOUL 01281 160359Z
ACTION STR-07

INFO OCT-01 EA-10 IO-13 ISO-00 STRE-00 AGRE-00 CEA-01
CIAE-00 COME-00 DODE-00 EB-08 FRB-03 H-01 INR-10
INT-05 L-03 LAB-04 NSAE-00 NSC-05 PA-01 CTME-00
AID-05 SS-15 ITC-01 TRSE-00 USIA-06 SP-02 SOE-02
OMB-01 DOE-11 /115 W
-----034583 160400Z /72

P R 160334Z FEB 78
FM AMEMBASSY SEOUL
TO SECSTATE WASHDC PRIORITY 9335
INFO USMISSION GENEVA
AMEMBASSY HONG KONG
AMEMBASSY MANILA

C O N F I D E N T I A L SEOUL 1281

GENEVA FOR USMISSION (PHELAN ALSO MTN
DEPT PASS STR; FROM US TEXTILE DELEGATION

E.O. 11652: GDS
TAGS: ETRD, GATT
SUBJ: TEXTILES: PHILIPPINE AND HONG KONG POSITION ON TEXTILE
TARIFFS

1. DURING COURSE OF CONVERSATIONS BETWEEN US TEXTILE
DELEGATION AND OFFICIALS OF HONG KONG AND THE PHILIPPINES,
THE POINT WAS MADE BY BOTH FOREIGN GOVERNMENTS THAT THEY
WERE FEARFUL OF AND INDEED OPPOSED TO DECREASES OR REDUC-
TIONS IN THE US TEXTILE TARIFFS. THE REASON WHICH WAS CITED
BY THESE OFFICIALS WAS THAT LOWERING OF US TEXTILE TARIFFS
WOULD DIMINISH THE COMPARATIVE ADVANTAGE WHICH THEY HOLD
VIS-A-VIS THE JAPANESE AND THE UROPEANS WITH RESPECT TO
THE US TEXTILE MARKET. THE HONG KONG REPRESENTATIVES WENT
SO FAR AS TO SAY THAT THE US SHOULD RAISE THE TEXTILE
TARIFFS TO BE INSURED AT LEAST IN THE SHORT RUN THAT HONG
KONG'S DECLINING COMPETITIVENESS WOULD NOT BE ERODED
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FURTHER.

2. IT IS DOUBTFUL THAT EITHER OF THESE TWO COUNTRIES WOULD
MAKE THE ABOVE POINT PUBLICLY IN GENEVA IN VIEW OF THEIR
OVERALL POSITION OF FAVORING TRADE LIBERALIZATION OF WHICH
TARIFF REDUCTIONS ARE OBVIOUSLY A PART. HOWEVER, BOTH THE
HONG KONG AND PHILIPPINE OFFICIALS - AND THEIR INDUSTRY

ADVISORS - DO APPEAR QUITE CONCERNED THAT US TEXTILE TARIFF
REDUCTIONS WILL WORK TO THEIR DISADVANTAGE AND TO THE
EUROPEAN'S ADVANTAGE. THEY BUTTRESS THIS ARGUMENT EVEN
FURTHER BY SAYING THAT WHATEVER TEXTILE TARIFF REDUCTIONS
ARE AGREED TO WILL NEVER BE PASSED ON TO THE CONSUMER, BUT
RATHER THAT THE IMPORTERS' PROFIT MARGINS WILL BE THAT
MUCH IMPROVED.
STERN

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: TEXTILES, TARIFFS, FOREIGN POLICY POSITION
Control Number: n/a
Copy: SINGLE
Draft Date: 16 feb 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
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Handling Restrictions: n/a
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Litigation History:
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Review Release Date: n/a
Review Release Event: n/a
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